

Temporary Assistance for Needy Families



Purpose

Temporary Assistance for Needy Families (TANF) is a federal block grant that allows states flexibility in using funds to: help needy families care for children; end dependence on public benefits by promoting work; reduce out-of-wedlock pregnancies; and encourage the formation and maintenance of two-parent families.

Who Is Helped

TANF was created under the welfare reform legislation of 1996. Reform eliminated Aid to Families with Dependent Children (AFDC), ending federal entitlement and creating a flexible funding source for states to use in helping needy families achieve self-sufficiency.

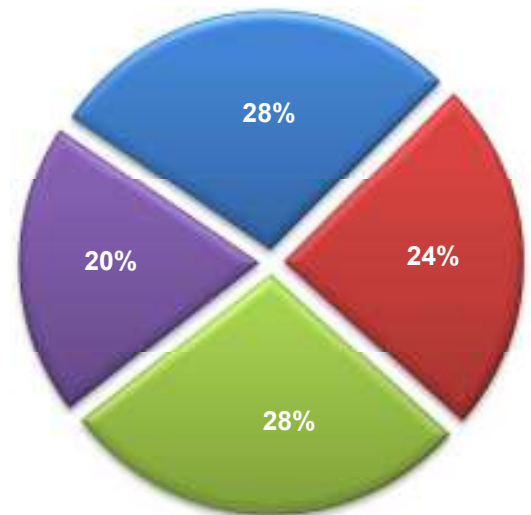
TANF funds are used to:

- Assist needy families so that children can be cared for in their own homes or in the homes of relatives.
- Reduce the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
- Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual goals for preventing and reducing the incidence of these pregnancies.
- Encourage the formation and maintenance of two-parent families.

Flexibility in the program allows transfer of a combined total of 30 percent of annual TANF funds to the Child Care Development Fund (CCDF) and the Social Services Block Grant (SSBG).

Utilization of TANF by Program SFY14

- Family Investment Programs (28%)
- Child Welfare (24%)
- CCDF and SSBG (28%)
- Service Delivery (20%)



- ✓ *Cash assistance is limited to five years (lifetime) and assistance promotes work, responsibility, and self-sufficiency.*
- ✓ *The SFY15 Enacted Appropriation maximizes the combined amount of TANF transferred to CCDF and SSBG. The department's request for SFY16 and SFY17 maintains this maximum transfer.*

Services	<p>TANF funds are used for benefits and services targeted to needy families, as well as for service delivery and administrative expenses.</p> <p>The Family Investment Program (FIP) is the primary program that assists needy families so that children can be cared for in their own homes or in the homes of relatives.</p> <p>Programs designed to reduce dependence of needy parents on government benefits include:</p> <ul style="list-style-type: none"> • PROMISE JOBS • Family Development and Self-Sufficiency (FaDSS) • Family Self-Sufficiency Grants (FSSG) <p>Preventing and reducing the incidence of out-of-wedlock pregnancies and encouraging the formation and maintenance of two-parent families is supported by the following programs:</p> <ul style="list-style-type: none"> • Pregnancy Prevention • Child Abuse Prevention • Child Welfare (selected programs) • Promoting Healthy Marriage <p>Transfers to support other programs, including:</p> <ul style="list-style-type: none"> • Child Care Assistance • Social Services Block Grant • Service Delivery <p>✓ <i>Using a small portion of TANF funding for promoting healthy marriage allows the state to expand categorical eligibility for food assistance thus providing food assistance benefits to more lowans in need.</i></p>
Goals & Strategies	<p>Goals, strategies, and performance results for TANF are presented with the programs that TANF funds support.</p>
SFY16 & SFY17 Budget Drivers	<p>The total SFY16 budget request for TANF funds is \$138,901,194. This is a \$1,701,811 (1.2%) decrease from the SFY15 Enacted Appropriation.</p> <p>The total SFY17 budget request for TANF funds is \$136,263,834. This is a \$4,339,171 (3.1%) decrease from the SFY15 Enacted Appropriation and a \$2,637,360 (1.9 percent) decrease from the SFY16 request.</p> <p>The Iowa Legislature allocates the grant award annually under the general categories described on the previous page. TANF funds not spent in the year awarded remain available to the state for future years. The Department's recommendation for allocation of available TANF funds in SFY16 & SFY17 is presented following this narrative.</p> <p>The key budget drivers impacting the Department's recommendations include:</p> <ul style="list-style-type: none"> • Increasing/decreasing need in the program/service areas in which TANF can be used. • Limits on administrative costs. • Maintenance of Effort (MOE) requirements. <p>Iowa's annual TANF award is \$131,524,959. Federal law allows Indian Tribes to apply to operate Tribal Family Assistance programs. Tribes approved to operate Tribal TANF programs are allocated a portion of the state's annual TANF award based on the amount of federal funds expended by specified pre-TANF programs for Native Americans in the geographic area to be served by the Tribal TANF program. For several years, a single Tribal TANF program has operated in Woodbury County and has been allocated TANF funds equal to \$494,565.</p>

Two additional Tribal TANF programs are scheduled to begin at different times during SFY15. Due to timing, these two new Tribal programs will not receive their full allocations until SFY16 and SFY17 respectively. However, they will receive partial allocations starting in SFY15.

The amount of funds from the state's annual TANF award available after allocations for Tribal programs is expected to be as follows:

- SFY15: \$130,994,398
- SFY16: \$130,970,863
- SFY17: \$130,967,018

- ✓ *Use of TANF funds for administration of TANF programs is limited to 15 percent; Iowa spends less than 10 percent.*
- ✓ *State funds of at least 80 percent of spending under the prior ADCF programs (pre-reform) must be expended as Maintenance of Effort (MOE). This requirement is reduced by the same proportion that TANF funds are allocated for Tribal TANF programs. Iowa's MOE for TANF is \$65,827,538 for SFY15; \$65,815,711 for SFY16; and \$65,813,778 for SFY17 and ongoing barring any other change affecting those requirements.*